IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INTEREST TAX APPEAL (LDG.) NO. 722 OF 2003

The Commissioner of Indocme-tax,
Mumbai. ... Appellant.

V/s.

M/s.General Insurance Corporation
of India. ... Respondent.

A.S.Rao for the appellant.

F.E.Irani with A.K.Jasani for the respondent.

CORAM : DR.S.RADHAKRISHNAN
and V.C.DAGA, JJ.

DATED : 9th April 2007.

P.C.:

. Heard learned counsel for the appellant and learned counsel for the respondent.

2. In the above appeal, the following question of law is sought to be raised:

> "Whether on the facts and in the circumstances of the case and in law, the Tribunal is correct in deleting the addition of Rs.72,82,00,000/- being the interest from Government Securities, Bonds and Debentures, while computing the assessment under section 8(2) of the Interest Tax Act?"

3. The learned counsel for the respondent brought to our notice that an identical issue has been decided by this Court in the Interest Tax Appeal

No.399 of 2001 vide order dated 19th April 2004; wherein this Court has disposed of the appeal on the ground that in the case of **Discount and Finance House of India Limited v. S.K.Bharadwaj, C.I.T. & others**, 259 ITR 295 this Court has categorically held that securities, debentures and bonds held by the assessee are not chargeable to tax under the Interest Tax Act. The same view has been reiterated by this Court in the case of **Commissioner of Income Tax v. United Western Bank Limited**, 259 ITR 312.

4. In view of the above clear position of law cleared by the above judgments, there is no substantial question of law involved in the present appeal. Appeal, therefore, stands dismissed.

(V.C.DAGA J.) **(DR.S.RADHAKRISHNAN,J.)**